

## **REMARKS**

### **Rejections**

#### ***Rejections under 35 U.S.C. § 102(e)***

##### **Claims 1-27 and 34-40**

Claims 1-27 and 34-40 stand rejected under 35 U.S.C. § 102(e) as being anticipated by van der Schaar et al., U.S. Patent No. 6,788,740. Applicant does not admit that van der Schaar is prior art and reserves the right to swear behind the reference at a later date. Nonetheless, Applicant respectfully submits that Applicant's invention as claimed in claims 1-27 and 34-40 is not anticipated by van der Schaar.

Van der Schaar discloses a video encoder that divides video into a base layer bit stream and an enhancement layer bit stream. The video is transformed into DCT coefficients which are input into a quantization circuit. The quantized DCT coefficients from the quantization circuit are input into an FGS frame encoder that creates the enhancement layer bit stream. Van der Schaar discloses that the quantized DCT coefficients are integer values (van der Schaar: col. 7, lines 26-45). Van der Schaar also disclosed a corresponding decoder.

In claims 1-5, 12-16, 23-27 and 34-38, Applicant claims an encoder that quantizes coefficients into quantized values that have an integer part and a fractional part, i.e., real numbers. The integer part represents a base layer and the fractional part represents enhancement layers. In claims 6-11, 17-22 and 39-40, Applicant claims a corresponding decoder that extracts the quantized fractional values representing the enhancement layers.

Applicant respectfully submits that a fractional part of a value is well understood to mean the portion of a real number to the right of the decimal point (also see page 9, lines 5-14 of Applicant's specification). Because van der Schaar enhancement layer bit stream is based on integer quantized values, van der Schaar cannot be properly interpreted as disclosing either Applicant's claimed fractional part of a quantized value or quantized fractional values that represent enhancement layers.

Accordingly, Applicant respectfully submits that the invention claimed in claims 1-27 and 34-40 is not anticipated by van der Schaar under 35 U.S.C. § 102(e) and respectfully requests the withdrawal of the rejection of the claims.

**Claims 28-33 and 41-44**

Claims 28-33 and 41-44 stand rejected under 35 U.S.C. § 102(e) as being anticipated by De Bonet et al., U.S. Patent No. 6,510,177. Applicant does not admit that De Bonet is prior art and reserves the right to swear behind the reference at a later date. Nonetheless, Applicant respectfully submits that Applicant's invention as claimed in claims 28-22 and 41-44 is not anticipated by De Bonet.

De Bonet discloses a decoder that recreates video from a base layer bit stream and an enhancement layer bit stream. The enhancement layer bit stream contains data for multiple enhancement layers. However, De Bonet does not teach or suggest that the enhancement layer bit stream can be decoded into quantized fractional values representing the enhancement layers as claimed by Applicant.

Accordingly, Applicant respectfully submits that the invention claimed in claims 28-33 and 41-44 is not anticipated by De Bonet under 35 U.S.C. § 102(e) and respectfully requests the withdrawal of the rejection of the claims.

**SUMMARY**

Claims 1-44 are currently pending. In view of the foregoing amendments and remarks, Applicant respectfully submits that the pending claims are in condition for allowance. Applicant respectfully requests reconsideration of the application and allowance of the pending claims.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Sue Holloway at (408) 720-8300 x309.

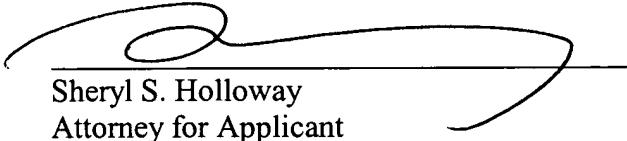
**Deposit Account Authorization**

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

Respectfully submitted,

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